



Has NPM worked, failed or both worked and failed? A review

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Structure

- Work Package 1
- The approach
- The database
- Findings
- Limitations
- Conclusions (do NPM-type reforms still have an European future?)
- Further research

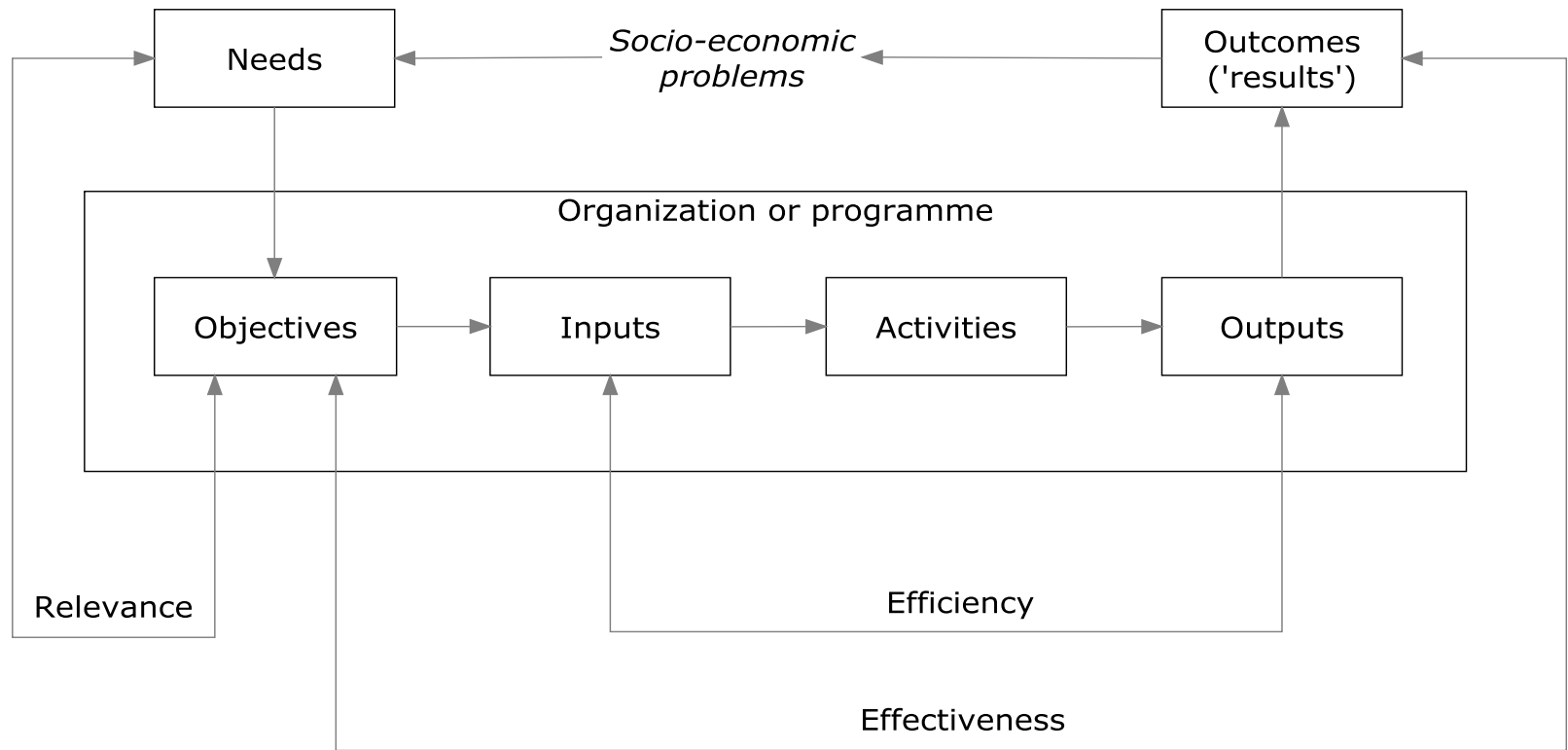
I. Work Package 1

- Meta-analysis of the impact of NPM-type reforms on efficiency, effectiveness, quality and social cohesion
- Europe as domain: West, East, North and South (countries in the project plus other 'neighbouring' countries)
- Work performed in 2011 with support from COCOPS colleagues and a list of external partners
- Reform in central government as primary focus

II. The approach (1)

- Analytical framework to guide classification of studies and synthesis of data
- Implemented in Microsoft Sharepoint (collaborative platform used by all partners)
- Coding of specific types of impact: e.g. access to services, service integration, staff motivation, policy coordination, citizen and service user satisfaction, etc
- Coded the direction of change: improved, deteriorated or did not change significantly
- Coding of impacts of reform in: processes (activities), outputs and outcomes (next slide)

II. The approach (2)



II. The approach (3)

- Journals covered between 1980-2011: J-PART, PA, Governance, PAR, IRAS, IPMJ, PMR, PP&A and Evaluation (later added English speaking journals in Central and Eastern Europe)
- Publication lists: OECD, SIGMA, World Bank, websites of national governments and audit offices
- Result: a database of 518 studies of NPM-type reforms across Europe
- Intercoder reliability: Leuven researchers checked all data for consistency purposes followed by a second verification of coding for 56% of the studies

III. The database

- Central government mostly with some local government (21%)
- Sector: health, education and social services (36%), employment (14%), business and economic policy (14%)
- Variation in studies per country: top 5 (UK, France, Germany, the Netherlands, Italy) more than 10% each; the rest below 10%
- Types of studies: 68% academic, 12% external evaluations, the rest (policy reports, consultancy work and studies by international organizations and NGOs)
- Main NPM reforms and tools: performance and quality management; market-type mechanisms, creation and operation of agencies, corporatization, contracting out, flexibilization of employment

Finding 1: Little research on outputs and especially outcomes

Subset	Number of studies	%
1. All studies (total database)	518	100.0
2. All studies with at least one entry for effects in general	436	84.2
3. All studies including entries for changes in processes, outputs or outcomes	354	68.3
4. All studies including entries for changes in outputs or outcomes	138	26.6
5. All studies with entries for changes in outputs or outcomes in central government only	117	22.6
6. All studies with entries for changes in outcomes	45	8.7
7. All studies with entries for changes in outcomes in central government only	39	7.6
8. All studies with entries for changes in quality	61	11.8
9. All studies with entries for changes in social cohesion	135	26.2

Finding 2: Mixed impacts though overall they seem more positive than negative

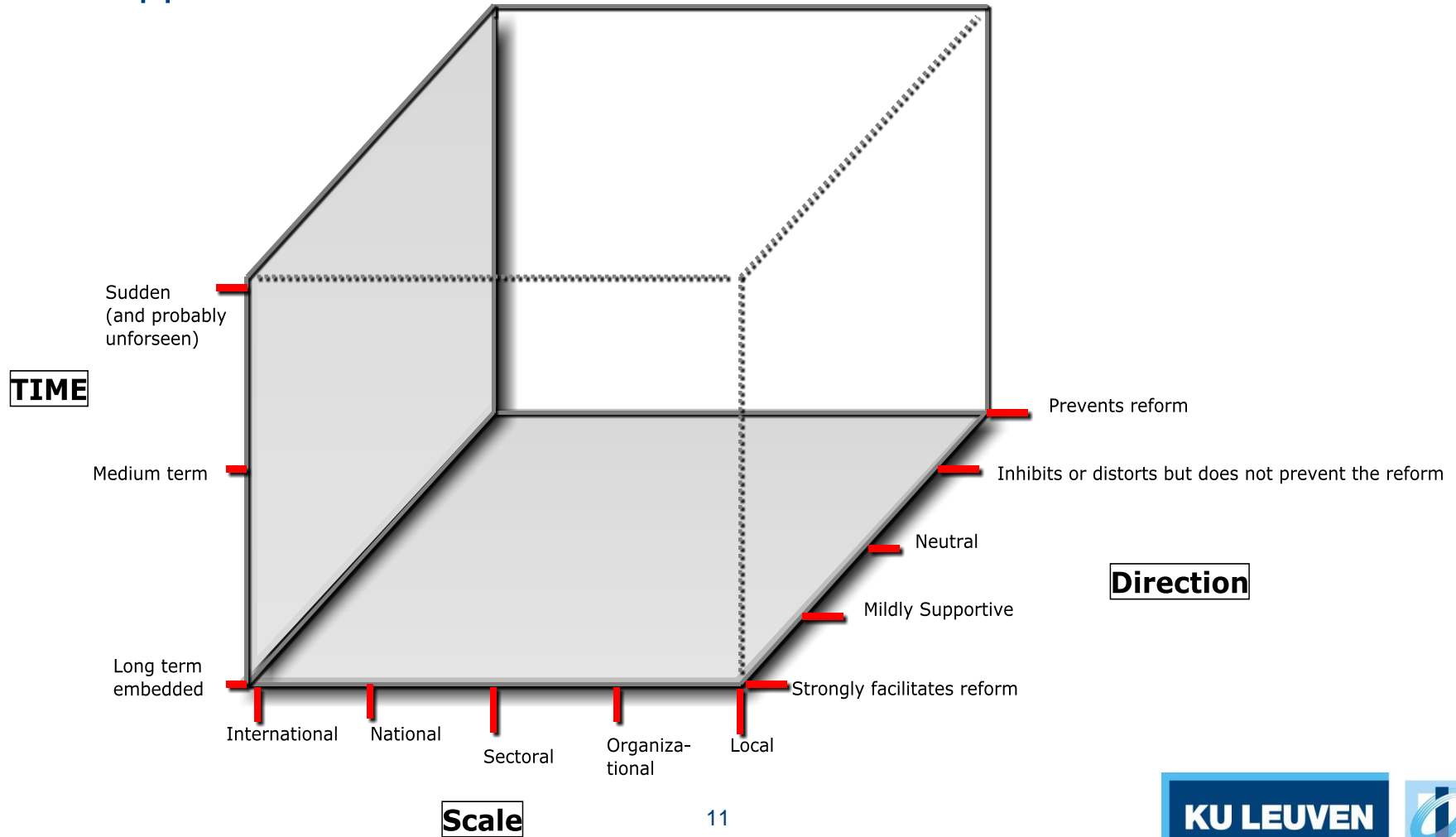
Direction	Improved		Deteriorated		Unchanged		Total number of entries
Extent of impacts	Number of entries	%	Number of entries	%	Number of entries	%	
Outcomes	25	43.9	13	22.8	19	33.3	57
Outputs	87	53.4	32	19.6	46	27.9	165
Processes/activities	373	57.9	119	18.5	152	23.6	644

Finding 3: Social cohesion seems to have been affected

- Unintended consequences, trade-offs and paradoxes
- ***Access to services***
 - 52% narrower
 - 24% no significant change
 - 24% wider
- ***Public sector staff motivation***
 - 43% lower
 - 32% no significant change
 - 25% improved
- ***Organizational stability***
 - 31% deteriorated
 - 32% no significant change
 - 34% improved

Finding 4: Contextual factors explain variation in impacts

- Contextual factors vary across time, scale and direction – they can support or inhibit reform



Finding 5: Salient contextual factors

1. Politico-administrative culture
2. Structure of the political system
3. Rapid turnover of governments and instability
4. Lack of current administrative capacity
5. Socio-demographic characteristics of service users
6. Need for non-standard individual treatments (service user focus)
7. External pressure for reform
8. Organized resistance from stakeholders
9. Sudden accidents or scandals

Specific review of studies of agencies

- 74% changes in processes; 36% outputs or outcomes; 7% outcomes
- Mixed evidence on outputs and outcomes
- Effects on processes are overall positive
- Improvements in results-orientation and focus on service users
- Slightly more positive than negative evidence on transparency and accountability (some studies found deteriorations)
- Unintended consequences: issues of coordination, fragmentation and organizational stability (46% of studies)

Review of impacts in Central and Eastern Europe (1)

1. Review of studies in Estonia, Hungary and Romania

- Similar patterns: limited evidence on outputs and outcomes

Processes

- 41% improved 28% no significant change 9% deteriorated
- Mixed evidence on “efficiency”, effectiveness and quality (some studies found improvements; others did not)

Salient contextual factors affecting reform

- Insufficient administrative capacity and resources
- Frequent change, instability and lack of continuity
- Fragmentation and insufficient coordination
- Need for ethical principles and professional management

Review of impacts in Central and Eastern Europe (2)

2. Review of studies across Central and Eastern Europe

- 18 out of 32 studies classified as type V; 9 as types I-IV; 4 as type VI

Classification of impacts of NPM tools in Central and Eastern Europe

I.	NPM reforms do not work regardless of administrative capacity and type of context
II.	NPM reforms do not work mainly because of insufficient administrative capacity
III.	NPM reforms do not work mainly because of unfitting context
IV.	NPM reforms do not work because of insufficient administrative capacity or unfitting context but reforms can still lead to certain positive effects
V.	NPM reforms can have significant positive effects, but they can be hindered by insufficient administrative capacity or unfitting context
VI.	NPM reforms work although they can lead to certain unintended consequences and trade-offs
VII.	NPM reforms usually or always work

V. Limitations

- Diverse set of studies reflecting the nature of the literature: the risk of “comparing apples with oranges”
- Different methods: significance determined descriptively
- Could not use quantitative measures in a statistical sense
- Different underlying theories used in the studies
- Attribution problems: NPM tools and NPM tools only?
- Lack of before and after data
- Limited evidence especially on outputs, outcomes, efficiency and effectiveness
- Raw material is fragile => end product cannot be more than that

VI. Conclusions: Does NPM still have an European future?

- Great variation in impacts across countries, sectors and organizational settings
- NPM as a whole: neither a striking success nor a resounding failure (beware of any of these two sweeping claims)
- Evidence of some improvements across different contexts
- Examples of no significant change or deterioration
- Evidence of unintended consequences – were these *caused* by NPM and NPM alone?
- NPM as a more general reform strategy – unlikely future?
- NPM as a set of management instruments – probable future?

VII. Further research

- Needed research on outputs, outcomes, efficiency, quality and effectiveness
- How to tackle the problems of attribution and causality?
- Perception-type of evidence (civil servants, citizens) vs. more “neutral” forms of evidence
- Use of other review approaches: QCA, classical meta-analysis (if enough evidence is available)

Thank you for your attention